



Senate

General Assembly

January Session, 2005

File No. 315

Senate Bill No. 1185

Senate, April 13, 2005

The Committee on Environment reported through SEN. STILLMAN of the 20th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING DAIRY FARM INCOME STABILIZATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 22-131 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 (a) In accordance with section 4-9a, the Governor, with the advice
4 and consent of either house of the General Assembly, shall appoint
5 [six] eight electors of the state, [two] four of whom are actively
6 engaged in the sale, [and] distribution or processing of milk, two of
7 whom have no active or financial interest in the production or sale of
8 milk, and two of whom are actively engaged in the production of milk,
9 which [six] eight electors, with the Commissioner of Public Health, or
10 [his] the commissioner's designee, and the Commissioner of
11 Agriculture, shall constitute the Milk Regulation Board. The Governor,
12 for cause, after a public hearing, may remove any appointed member
13 of the board.

14 (b) The Milk Regulation Board shall keep a record of all its
 15 proceedings. The Commissioner of Agriculture shall be the
 16 chairperson of the board, shall enforce the regulations established by
 17 the board and shall further administer any other duties prescribed by
 18 the board. The office of the Commissioner of Agriculture shall be the
 19 office of the board. Each of the six members of the Milk Regulation
 20 Board appointed under the provisions of this section shall receive
 21 seventy-five dollars for each day the member attends a meeting of the
 22 board. The total payments to each member shall not exceed seven
 23 hundred fifty dollars each year, such payments to be made from the
 24 appropriations made for the Commissioner of Agriculture.

25 Sec. 2. (NEW) (*Effective October 1, 2005*) (a) The Milk Regulation
 26 Board shall study the feasibility of and make recommendations for the
 27 establishment of a system to stabilize dairy farm income in the state.
 28 The study shall include an examination of methods to stabilize dairy
 29 farmer income and shall take into account the cost of producing milk
 30 in the state, the prices paid by consumers for milk, the impact on milk
 31 processors licensed in the state that compete with milk processors
 32 licensed in other states and the public interest.

33 (b) Not later than January 1, 2006, the Commissioner of Agriculture
 34 shall report, in accordance with section 11-4a of the general statutes,
 35 regarding the study required by subsection (a) of this section, to the
 36 joint standing committee of the General Assembly having cognizance
 37 of matters relating to the environment.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	22-131
Sec. 2	<i>October 1, 2005</i>	New section

ENV *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Department of Agriculture	GF - Cost	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill adds two members to the Milk Regulation Board. Members of the board are eligible for up to \$750 in compensation each year from the Department of Agriculture (DOAG). This change would increase costs to the Department of up to \$1,500 per year.

It is anticipated that if the research and analysis conducted by the University of Connecticut and other sources of the dairy industry can be utilized to complete the study required in the bill, there will be no additional costs incurred by the DOAG. If additional research is necessary, the agency would incur minimal costs.

OLR Bill Analysis

SB 1185

AN ACT CONCERNING DAIRY FARM INCOME STABILIZATION**SUMMARY:**

This bill adds milk processors to those who may be appointed to the Milk Regulation Board and increases the number of appointees from eight to 10. Under current law, the governor appoints six members to the board from specific constituencies as follows: two members actively engaged in milk sales and distribution, two with no active or financial interest in milk production or sale, and two actively engaged in milk production. The bill requires the governor to appoint four, instead of two, members from those actively engaged in the sale, distribution, and processing of milk. By law the commissioner of public health, or his designee, and the agriculture commissioner are board members.

The bill requires the board to complete a comprehensive study of the state's dairy industry and make recommendations for the establishment of a system to stabilize dairy farm income in the state. The board must complete the study and submit a report on it to the Environment Committee by January 1, 2006.

The bill also makes a technical change.

EFFECTIVE DATE: October 1, 2005

DAIRY FARM STABILIZATION STUDY

The study must examine methods to stabilize dairy farmer income and take into account (1) state milk production cost, (2) prices paid for milk by consumers, (3) the impact on milk processors licensed in the state that compete with milk processors licensed elsewhere, and (4) the public interest.

BACKGROUND***Related Bill***

HB 5573, which the Environment Committee reported favorably on March 28, adds one member each that the governor must appoint to the milk board from those (1) actively engaged in the sale or distribution of milk and (2) actively engaged in the production of milk. It does not add processors. It requires a study, but does not require an examination of methods to stabilize dairy farmer income. Its effective date is July 1, 2005.

COMMITTEE ACTION

Environment Committee

Joint Favorable Report

Yea 26 Nay 0